

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Confianza, located at 14142 Vanowen Street in Van Nuys, requested and is being recommended for a reservation of \$1,803,787 in annual federal tax credits to finance the new construction of 63 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Century Affordable Development, Inc. and will be located in Senate District 18 and Assembly District 46.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's No Place Like Home (NPLH) Program.

Project Number CA-22-587

Project Name Confianza
 Site Address: 14142 Vanowen Street
 Van Nuys, CA 91405 County: Los Angeles
 Census Tract: 1281.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,803,787	\$0
Recommended:	\$1,803,787	\$0

Applicant Information

Applicant: Villa Vanowen LP
 Contact: Jordan Johnson
 Address: 1000 Corporate Pointe
 Culver City, CA 90230
 Phone: 310-642-2058
 Email: jjohnson@century.org

General Partner(s) or Principal Owner(s): CADI XVI LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Century Affordable Development, Inc. (CADI)
 Developer: Century Affordable Development, Inc. (CADI)
 Bond Issuer: Los Angeles Housing Department
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 64
 No. / % of Low Income Units: 63 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (63 Units/100%)

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	48	76%
40% AMI:	13	21%
50% AMI:	2	3%

Unit Mix

63 SRO/Studio Units
1 2-Bedroom Units
64 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
48 SRO/Studio	30%	\$625
13 SRO/Studio	40%	\$834
2 SRO/Studio	50%	\$1,042
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,530,406
Construction Costs	\$24,677,117
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,509,365
Soft Cost Contingency	\$166,090
Relocation	\$0
Architectural/Engineering	\$1,512,697
Const. Interest, Perm. Financing	\$3,576,785
Legal Fees	\$322,000
Reserves	\$1,037,904
Other Costs	\$1,843,272
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$41,675,636

Residential

Construction Cost Per Square Foot:	\$792
Per Unit Cost:	\$651,182
True Cash Per Unit Cost*:	\$651,182

Construction Financing

Source	Amount
Wells Fargo Bank	\$21,022,321
LAHD - HHH	\$7,819,751
LACDA - NPLH	\$8,884,700
Deferred Costs	\$2,426,721
General Partner Equity	\$100
Tax Credit Equity	\$1,522,043

Permanent Financing

Source	Amount
CCRC	\$5,546,000
LAHD - HHH	\$10,000,000
LACDA - NPLH	\$9,020,000
General Partner Equity	\$100
Tax Credit Equity	\$17,109,536
TOTAL	\$41,675,636

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$34,688,218
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$45,094,683
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,803,787
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.94853

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None

Resyndication and Resyndication Transfer Event: None

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.